

Message Text

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ACTION EB-03

INFO OCT-01 SS-14 ISO-00 ARA-10 NSC-07 NSCE-00 L-02

CIAE-00 INR-10 NSAE-00 RSC-01 SSO-00 INRE-00 DRC-01

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O 032234Z MAY 74

FM AMEMBASSY PORT OF SPAIN

TO SECSTATE WASHDC IMMEDIATE 6349

C O N F I D E N T I A L PORT OF SPAIN 1014

LIMDIS

E.O. 11652: GDS

TAGS: ETRN, PFOR, TD

SUBJECT: PRIME MINISTER REQUESTS DIALOGUE ON CARIBBEAN AIRLINES
RIGHTS

REF: POS 1013

SUMMARY: GOTT MINISTER OF INDUSTRY AND COMMERCE DISCUSSED PRIME MINISTER'S LETTER TO SECRETARY WITH ME MAY 3. HE EMPHASIZED PM'S PERSONAL AND DEEP CONCERN OVER FOUR POINTS OF CONTENTION, AND CHARGED THAT USG AVIATION POLICIES WILL RESULT IN DESTRUCTION OF BWIA UNLESS ALTERED. MINISTER EXPLAINED THAT CURRENT PANAM AND EASTERN PERMIT REQUESTS WILL NOT RECEIVE FAVORABLE ACTION UNTIL GOTT HAS RECEIVED RESPONSE FROM USG TO PM'S PROPOSALS. I ASSURED HIM USG WILL GIVE FULL CONSIDERATION TO TRINIDAD'S REQUEST FOR IMMEDIATE HIGH-LEVEL DISCUSSION. END SUMMARY.

1. MINISTER OF INDUSTRY AND COMMERCE ERROL MAHABIR CALLED ME AFTERNOON OF MAY 3 TO DISCUSS PRIME MINISTER WILLIAMS' LETTER TO THE SECRETARY (REFTEL) DISCUSSING CIVIL AVIATION IN THE CARIBBEAN AND FUTURE OF GOTT-OWNED BRITISH WEST INDIAN AIRWAYS (BWIA). ACCOMPANIED BY EMBOFFS, WE MET IN MAHABIR'S OFFICE, AND HE INFORMED ME THAT PM DESIRES THAT HE (MAHABIR) TRAVEL TO WASHINGTON AS SOON AS POSSIBLE FOR FULL DISCUSSION OF QUESTIONS RAISED IN PM'S
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LETTER. THIS EMBASSY'S NOTE (POS 959) SUPPORTING PANAM'S AND

EASTERN'S OPERATING PERMIT REQUEST IS NOW IN MAHABIR'S HANDS, AND HE INDICATED THAT--RATHER THAN DISAPPROVING BOTH APPLICATIONS, WHICH IS GOTT SENTIMENT--HE WILL AWAIT USG REACTION TO PM'S PROPOSAL FOR OVERALL DIALOGUE.

2. MAHABIR SAID THAT THE GOTT HAS SERIOUS PROBLEMS WITH THE US WITH REGARD TO SEVERAL AVIATION MATTERS: A) PROPOSED PANAM-AMERICAN AIRLINES ROUTE EXCHANGE, WHICH GOTT FEELS WOULD SEVERELY HARM BWIA, SINCE AMERICAN COULD FEED PASSENGERS TO BARBADOS OVER ITS ENTIRE ROUTE STRUCTURE; B) NEW CHARTER RULES INTRODUCED BY THE CAB, WHICH REQUIRE AN AIRLINE TO GENERATE THREE US-BOUND CHARTERS FOR EVERY FOUR CHARTER GROUPS CARRIED FROM THE US. (MAHABIR SAID THAT BWIA COULD LIVE WITH THIS REQUIREMENT IF ALLOWED TO INCLUDE ENTIRE EASTERN CARIBBEAN AS ITS "HOME TERRITORY," BUT COULD NOT DO SO IF RESTRICTED TO 1.1 MILLION POPULATION OF TRINIDAD AS BASE.); C) MAHABIR SAID GOTT WAS VERY PERTURBED AT REPORTS THAT US IS CONSIDERING BARBADOS REQUEST THAT ICA (WHICH HE DERIDED AS BEING A COMPLETELY FOREIGN CARRIER, WITH NO BARBADIAN OWNERSHIP) BE ALLOWED TRAFFIC RIGHTS ACROSS US TO AND INCLUDING HAWAII; AND D) EASTERN'S RIGHTS AND ABILITY TO GENERATE TRAFFIC TO AND FROM US POINTS BEYOND PUERTO RICO GAVE IT UNFAIR ADVANTAGE OVER BWIA.

3. THROUGHOUT DISCUSSION, MAHABIR EMPHASIZED GOTT'S FEAR THAT US AVIATION POLICY WOULD DESTROY BWIA AND LEAD TO THE FRAGMENTATION OF THE CARIBBEAN REGION. HE EMPHASIZED GOTT CONCERN THAT ITS OBJECTIONS TO PANAM-AA ROUTE SWAP BE CONSIDERED BY USG PRIOR TO A MAY 29 CAB MEETING.

4. I ASSURED THE MINISTER THAT WE WOULD REPORT HIS CONCERNS TO WASHINGTON, AND THAT MY GOVERNMENT WOULD BE WILLING TO DISCUSS MATTER FULLY. EMBOFFS ALSO TRIED TO POINT OUT THAT: A) AS FAR AS WE KNOW, GOTT HAS MADE NO FORMAL REQUEST FOR ADDITIONAL POINTS IN US FOR BWIA; B) CARIBAIR'S ROUTE STRUCTURE ENDING IN PUERTO RICO WAS AN IMPORTANT FACTOR IN ITS DEMISE, AND THAT EASTERN COULD NOT BE EXPECTED TO OPERATE SERVICES ON A SIMILAR BASIS; AND C) THAT CARIBBEAN AVIATION POLICY IS BADLY FRAGMENTED, BUT THAT SITUATION IS DUE TO WELLKNOWN RELUCTANCE OF OTHER COUNTRIES TO ACCEPT BWIA AS SOLE REGIONAL CARRIER.

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5. COMMENT: MAHABIR (ONE OF THE PM'S THREE DEPUTY POLITICAL LEADERS) IS A TOUGH, ABLE NEGOTIATOR AND IS AN IDEAL CHOICE TO CARRY OUT THE PM'S MISSION. I THINK HE WILL APPROACH WASHINGTON WITHOUT PRECONCEPTIONS (HE HAS NEVER DIRECTLY HANDLED AVIATION QUESTIONS BEFORE), AND THAT HE WILL BE RECEPTIVE TO USG ARGUMENTS. I THINK IT WOULD BE MOST USEFUL IF HE COULD MEET WITH SENIOR US AVIATION POLICY OFFICIALS IN A PRIVATE SESSION, AND BE INVITED TO EXPLAIN FULL DETAILS OF US POSITION DIRECTLY TO PM

WILLIAMS.

6. UNQUESTIONABLY, CURRENT PAN AMERICAN AND EASTERN ROUTE APPLICATIONS ARE NOW STALLED UNTIL OVERALL QUESTION OF CARIBBEAN AIRLINE ROUTES IS DISCUSSED. MAHABIR SHOWED US DOCUMENT INDICATING FORMAL RECOMMENDATION OF AIR TRANSPORT LICENSING AUTHORITY (ATLA) AND OF MINISTRY OF PUBLIC UTILITIES THAT BOTH APPLICATIONS BE REJECTED. PRIME MINISTER INSTEAD HAS CHOSEN TO POINT OUT MORE BASIC PROBLEM HE PERCEIVES IMMINENTLY ON HORIZON IF OVERALL ROUTE STRUCTURES NOT REVIEWED.

7. RECOMMEND THAT WE BE RESPONSIVE TO REQUEST FOR WIDE-RANGING DISCUSSION IN WASHINGTON AS SOON AS POSSIBLE. IF GOTT CAN BE PERSUADED THAT ITS FEARS FOR BWIA'S FUTURE ARE UNGROUNDED THAT WILL BE GOOD. OTHERWISE, BELIEVE WE SHOULD NOT UNDERESTIMATE LONG-TERM EMOTIONAL COMMITMENT OF PRIME MINISTER WILLIAMS TO BWIA AS INTEGRATIVE REGIONAL CARRIER. ISSUE IS CLOSE TO HIS HEART.

ACTION REQUESTED:

8. PLEASE ADVISE WHETHER THIS SUBJECT SHOULD BE CONTINUED IN EXDIS CHANNEL. THIS MESSAGE AND REFTEL SO CONTROLLED DUE TO PERSONAL HIGH-LEVEL CORRESPONDENCE INVOLVED BETWEEN PM AND SECRETARY.

9. RECOMMEND THIS MESSAGE BE REPEATED BY DEPT TO BRIDGETOWN, GEORGETOWN, KINGSTON AND POSSIBLY OTHER CARIBBEAN POSTS.
MILLER

NOTE: EXDIS CAPTION DELETED////LIMDIS ADDED PER SS/O-ELTZ

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